

September 13, 2010

The Honorable,

Sen. William Diamond, Chair
Rep. Emily Cain, Chair
Joint Standing Committee on Appropriations and Financial Affairs

Sen. Nancy Sullivan, Chair
Rep. Pamela Jabar Trinward, Chair
Joint Standing Committee on Legal and Veterans Affairs

Chairmen:

We at Hollywood Slots Hotel & Raceway respectfully submit this information in accordance with Part FFF of Chapter 571.

Bangor Historic Track (BHT) has been in existence since 1883; it has been through several ownership changes and currently is the primary responsibility of the City of Bangor. Hollywood Slots Hotel & Raceway is the lessee for the purpose of operating the harness racing facility, which is required by statute.

The Maine Harness Racing Commission (MHRC) has primary jurisdiction and responsibility for the regulatory and licensing functions of the commercial tracks. The Maine Harness Racing Commission approves all capital expenditures and the licensee uses those monies for the related improvements. Hollywood Slots Hotel & Raceway does not own the BHT, however, the attached charts and spreadsheets clearly establishes our investment in the track as the funds for capital improvements since 2005 well exceeds the allocated funds for capital improvements.

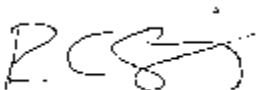
PNG assumed "control" of BHT when the citizen initiative to support gaming and related legislation to establish slots to support the harness racing industry was passed. In 2009, the harness operation employed 43 Mainers-- 5 were full time, 1 part time, and 24 seasonal/occasional, there were also 13 outside contractors. There are no attendance records as there is no admission fee for attendance. One can assume that attendance has fallen over the past several years by observing the decrease in revenue.

The Fund that the industry established, fittingly named the Commercial Meet Stabilization Fund, has allowed the commercial tracks to continue to operate. It has begun to do what it was intended to do—stabilize the industry. The Fund has allowed the horsemen to continue to operate and purchase horses from the breeders, which in turn, has allowed the fairs to have the horse supply and to continue to offer a product rich in history for Mainers to enjoy.

In closing, without the Commercial Meet Fund, BHT will be unable to operate at losses in the hundreds of thousands of dollars. BHT, and other commercial tracks like us, are the foundation for the industry; they create the horse supply needed to supply the fairs and all the affected vendors related to horse racing. If the commercial tracks do not exist, an entire industry will be extinct.

Thank you in advance for your time and if you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Corey Smith". The signature is stylized with a large "R" and a long, sweeping underline.

R. Corey Smith
Director of Raceway Operations
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